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PTO/SB/33 (07-05)

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PRE-APPEAL BRIEF REQUEST FOR REVIEW

Docket Number (Optional)
FRA175/189535

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on February 16, 2007

Signature Stacy Jenkins

Typed or printed name Stacy E. Jenkins

Application Number
09/710,776

Filed
11/09/2000

First Named Inventor
Candella et al.

Art Unit
3621

Examiner
Pierre E. Elsca

Applicant requests review of the final rejection in the above-identified application. No amendments are being filed with this request.

This request is being filed with a notice of appeal.

The review is requested for the reason(s) stated on the attached sheet(s).

Note: No more than five (5) pages may be provided.

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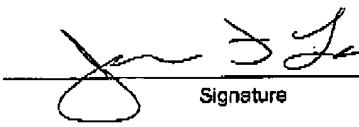
applicant/inventor.

assignee of record of the entire interest.

See 37 CFR 3.71. Statement under 37 CFR 3.73(b) is enclosed.
(Form PTO/SB/96)

attorney or agent of record.

Registration number 41143


Signature

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Typed or printed name

918/599-0621

Telephone number

attorney or agent acting under 37 CFR 1.34.

February 16, 2007

Date

Registration number if acting under 37 CFR 1.34.

NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required.
Submit multiple forms if more than one signature is required, see below.

Total of 1 forms are submitted.

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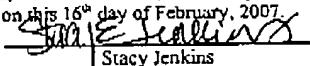
PATENT
EXAMINING GROUP 3621

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant(s): CANDELLA et al.
 Application No.: 09/710,776
 Filed: 11/09/2000
 Title: Method and System for Detecting Fraud in Non-Personal Transactions
 Art Unit: 3621
 Examiner: Pierre E. Elisca
 Attorney Docket No.: FRA175/189535

CERTIFICATE OF MAILING
UNDER 37 CFR 1.8

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 Stacy Jenkins

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BRIEF IN SUPPORT OF
PRE-APPEAL REQUEST FOR REVIEW

Dear Sirs:

INTRODUCTION

The instant invention involves a method and system for detecting fraud in a non-personal transaction, e.g., a credit card purchase over the internet. The method and system include the steps of transmitting the purchaser's data, including a ship-to address for the transaction, to a fraud-detection system. The purchaser's data is then processed to determine whether the transaction is potentially fraudulent.

Notably, Applicant's method and system does not rely on billing address criteria, which is a distinguishing feature over the cited prior art and the subject of this appeal.

The Examiner's rejection is two-fold. First the Examiner asserts that Walker teaches a step of "processing said ship-to-address to determine whether the transaction is potentially fraudulent by checking the purchaser's ship-to-address against non-billing address criteria . . . (see., col 2, lines 7 - 20)"(Office Action of 11/16/2006, ¶5, p. 3). This rejection is relevant to claim 1. Second, the Examiner asserts that Applicant actually does utilize the billing address as criteria to be checked against the shipping address, citing

claims 4, 6, 20 and 21 as proof (Office Action of 11/16/2006, ¶7b, p. 4). This rejection appears not relevant to claim 1. Both assertions are clearly erroneous, as set forth below.

Applicant's method for fraud detection differs from the method cited by Walker and from the method described in the above two examples because Applicant's method *does not utilize the billing address as a criteria to be checked against the shipping address.*

ISSUE

Are the Examiner's rejections based on a clear error, i.e., does USPN 6,163,771 to Walker et al. teach the use of non-billing address criteria as taught and claimed by Applicant?

ARGUMENT

First, the Examiner's assertions a) with respect to the teachings of Walker et al. will be examined, then b) the teachings and claim language of the pending Application will be examined.

a) With regard to Walker, the Examiner states, on pages 2 and 3 of the 11/16/06 Office Action,

Claims 1-32 have been rejected under the newly found prior Walker, Walker discloses a mail-order based credit card fraud, *both Visa and MasterCard have deployed databases that allow a merchant to verify that a given credit card account number is connected to a specific billing address.* Visa calls this service the Address verification service, the theory behind the service is that a thief (for example, a dishonest restaurant waiter) might be able to use a credit card receipt slip to steal an active account number, but if he tries to use that number for a mail order purchase he would not know the correct address associated with that number. Even if a thief were to obtain the cardholder's address, this service can allow a merchant to compare the shipping address of the catalog order to the current billing address for that account number and thus possibly identify any suspicious activity (which is readable as Applicant's claimed invention wherein said a method for detecting fraud non-personal transactions), comprising the steps of:

Collecting purchaser data for the transaction, said purchaser data comprising a *billing address* and a ship-to-address; transmitting said ship-to-address to a fraud-detection system, processing said ship-to-address to determine whether the transaction is potentially fraudulent by checking the purchaser's ship-to-address against criteria, and returning the relative risk of fraudulent activity associated with the transaction (see, col 2, lines 7-20). (emphasis added)

Applicant's method for fraud detection differs from the method cited by Walker and from the method described in the above two examples because Applicant's method *does not utilize the billing address as a criteria to be checked against the shipping address.* (See Amendment filed 8/25/06, p. 13-15.)

The Examiner correctly reads Walker as requiring the use of billing address data. The Examiner directs Applicant to col. 2, lines 7 – 20. At col. 2, line 16 -20, Walker states,

“Even if a thief were to obtain the cardholder’s address, this service can allow a merchant to compare the shipping address of the catalog order to the current billing address for that account number and thus possibly identify any suspicious activity.”

The above teachings of Walker et al. flatly contradict the step required by the following claim element of claim 1:

processing said ship-to address to determine whether the transaction is potentially fraudulent by checking the purchaser’s ship-to address against non-billing address criteria;

b) With regard to the Examiner’s assertion that Applicant actually does utilize the billing address, the Examiner states the following in paragraphs 7a and 7b on page 4 of the November 16, 2006 Office Action:

a. Applicant’s newly added limitation recites “checking the purchaser’s ship-to address against non-billing address”. Whereas, claim 6 recites ship-to address against the city and state with a Zip +4 code. Therefore, the ship-to address criteria can be billing address, a PO box address or any geographic area of the ship-to address.

b. Applicant further argues that Applicant’s method does not utilize the billing address as criteria to be checked against the shipping address. And yet, Claims 4, 6, 20 and 21 recite the purchaser’s ship-to address criteria comprise comparing the city and state of the ship-to address against the city and state with a Zip + 4 Code. The city, the state, and the Zip + 4 code represent the person physical address, and can also be a billing address or a PO box address or an office address or a family member address. Accordingly, the specific billing address of Walker is the same as any regular address since they are used for the same purpose. Furthermore, an address is an address, it is just a label.

In response, Applicant wishes to point out that the city, the state, and the Zip + 4 code as used in the claims must be interpreted in the context of the claims. “The” city and state, as used in claims 4 and 6, clearly refer to the city and state and Zip + 4 code of the *ship-to address*. Further, claims 4 and 6 each depend from claim one, which unequivocally requires that the purchaser’s ship-to address [be checked] against non-billing address criteria. Therefore, contrary to the Examiner’s assertions, the city and state and Zip + 4 referred to in claims 4 and 6 is not just a label. Instead, the city, state and Zip + 4 comprises a criteria that is related to the ship-to address and is a criteria expressly defined as “non-billing address criteria”.

With regard to claims 20 and 21, antecedent basis again requires that the zip code and the city and state with the ZIP + 4 code be interpreted as corresponding to the ship-to address.

As an example, Applicant's claim 6 states as follows:

6. (Previously Presented) The fraud detection method *according to claim 1*, wherein the step of checking the purchaser's ship-to address against criteria comprises comparing the city and state of the ship-to address against the city and state with a ZIP + 4 code. (emphasis added)

Claim 6 more narrowly defines the "step of checking the purchaser's ship-to-address against criteria...". The step of checking is set forth in base claim 1 as "... checking the purchaser's ship-to address against non-billing address criteria.

Claim 6 comprises, "comparing the city and state of the ship-to address against the city and state with a ZIP+4 code". This claim language is supported in Applicant's specification at page 8, lines 5 – 12 under the heading "Address Reasonableness and Existence Checking Step", which states as follows:

The method and system for detecting fraud 100 is now able to process the purchaser's data to determine whether the transaction is potentially fraudulent. As shown in Figure 4, the address-checking procedure 122 receives the data in a usable format 131. An internal Post Office database is checked 132 to determine the existence of the address and the associated nine digit zip (i.e., ZIP+4). The use of the ZIP + 4 code permit appropriate identification of high fraud delivery points, since each nine ZIP + 4 code includes only a relatively small number of households (typically 400-500 households). If the system is unable to establish the existence of the ZIP + 4, a flag is set 134 to indicate this.

In Summary, it can be seen that dependent claim 6 uses the city and state of the ship-to address and compares the city and state to the city and state with a ZIP+4 code, which is clearly non-billing address related, and further claim 6 depends from independent claim 1, which unambiguously defines the criteria to be checked as non-billing address criteria.

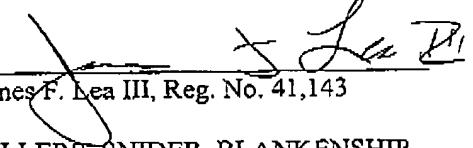
With regard to claims 20 and 21, antecedent basis again requires that the zip code and the city and state with the ZIP + 4 code be interpreted as corresponding to the ship-to address.

SUMMARY

For the reasons set forth above, Applicant submits that the Examiner's assertion that Walker teaches the step of checking the purchaser's ship to address against non-billing address criteria constitutes clear error. Applicant therefore requests allowance of the rejected claims.

Respectfully Submitted,

2-16-07
Date


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